

DOCUMENT RESUME

ED 456 788

HE 034 348

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TITLE The Transformational Power of Strategic Planning. AIR 2001
Annual Forum Paper.
PUB DATE 2001-06-04
NOTE 22p.; Paper presented at the Annual Meeting of the
Association for Institutional Research (41st, Long Beach,
CA, June 3-6, 2001).
PUB TYPE Reports - Research (143) -- Speeches/Meeting Papers (150)
EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Case Studies; Educational Administration; *Educational
Change; Higher Education; *Strategic Planning

ABSTRACT

Strategic planning is vital to the effective management of colleges and universities. It is also integral to institutional change. This case study demonstrates the critical connection between strategic planning and institutional transformation by tracing the strategic planning process for a public baccalaureate institution over a 5-year period. The paper highlights numerous changes resulting from the plan and explains these outcomes using the four frames that L. Bolman and T. Deal (1991) associate with organizational transformation: structural, human resources, political, and symbolic. By focusing on the seven major goals that comprise the strategic plan, a campus culture emerged in which the customers, the students, receive the highest priority. The strategic plan laid the foundation for the dramatic transformation that has occurred, and is still occurring, by establishing a clearly articulated vision and much-needed direction for the college. (Author/SLD)

THE TRANSFORMATIONAL POWER OF STRATEGIC PLANNING

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Presented at the 41st annual Forum of the Association for Institutional Research
Long Beach, California
June 4, 2001

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Abstract

Strategic planning is vital to the effective management of colleges and universities. It also is integral to institutional change. This case study demonstrates the critical connection between strategic planning and institutional transformation by tracing the strategic planning process for a public baccalaureate institution over a five-year period. The paper highlights numerous changes resulting from the plan and explains these outcomes using the four frames - structural, human resources, political, and symbolic - that Bolman and Deal (1991) associate with effective organizational transformation.

THE TRANSFORMATIONAL POWER OF STRATEGIC PLANNING

Introduction

Strategic planning – thoroughly understanding an institution's strengths and weaknesses and carefully charting future directions – is vital to the effective management of colleges and universities. It also is integral to institutional change. As the American Council on Education observed in a 1998 report, "unplanned change is risky. The current challenge to higher education is to *chart intentionally* a desired future congruent with our values and aspirations" (p. 3). Thus, strategic planning and change (or transformation) are intricately interwoven. Given the high levels of action they demand, they also represent higher education's dynamic duo. Planning without transformation is unproductive. There is no purpose in planning if nothing changes and the resulting plan lies on a shelf to gather dust. Likewise, transformation without planning disregards the institution's mission and often leads in distracting directions.

Objectives

This case study demonstrates the critical connection between strategic planning and institutional transformation. It traces the development of a strategic plan for a public baccalaureate institution and discusses how this strategic plan is linked to the transformation that has occurred on the campus over a five-year period. The study highlights numerous changes that have resulted from the plan and explains these outcomes using the four frames that Bolman and Deal (1991) associate with effective organizational transformation.

Institutional Background

This analysis chronicles the dramatic institutional transformation of a small, four-year, public, co-educational college since 1996. Throughout its 164-year history,

"Hilltop" State College has served many first generation students, providing an affordable education with its solid curriculum and dedicated faculty and staff. The college enjoys a rich heritage as the state's oldest institution of higher education. It offers an associate degree program in dental hygiene as well as a full range of baccalaureate degree programs in the schools of liberal arts, science and mathematics, education, and business administration. The campus holds accreditation by the North Central Association and in the specialized disciplines of teacher education, nursing, dental hygiene, clinical laboratory science, and music.

By the mid-1990s, enrollment had dwindled from a high of 2,554 in 1981 to 2,412. While teaching and learning were taking place, there was no sense of energy or excitement, and the college had settled into a comfortable routine. The new president who arrived in July 1996 quickly recognized that this routine would not move the college toward a vibrant and successful future. In fact, he understood that the institution's failure to change and adapt could place its very existence in jeopardy.

Challenges and Opportunities

The state of the college at that time is aptly portrayed by the image of its brick and wrought iron front entrance gate. Portions of the wrought iron had separated and were awry. Struck by a vehicle during a snowstorm, the gate was left in disrepair for months. This transmitted a negative message: If the college did not care about its main entrance to campus, did it care about its internal operations? The campus certainly remained accessible; however, it lacked the focus on critical details that distinguishes a mediocre, sleepy institution from one that is animated, of high quality, and clearly focused on its future.

In particular, the new president inherited a campus with no strategic plan, no master plan, no facilities plan, and no systematic budgeting process. An existing field house had recently been demolished as a result of severe structural deficiencies, limiting physical education and wellness opportunities for students. Other infrastructure problems caused by poor construction and deferred maintenance were mounting. Although approximately half of the student body resided on campus, student activities of all types were minimal, and the college was deserted on weekends. The institution offered few, if any, special academic programs for students such as an honors program or freshman experience course. While the concept of the freshman experience course had been discussed at length for years, it never moved beyond this stage to action. A program of student outcomes assessment was almost non-existent despite the accrediting requirements of the North Central Association (and an impending visit scheduled for April 1998). Minimal computer technology was available for students and faculty; there was no infrastructure to support a campus-wide fiber optic network, and no computer labs had been installed. One of the college's premier academic programs - dental hygiene - was graduating excellent students despite the fact that the equipment in its clinic was twenty years old.

In 1996 Hilltop State College had the highest percentage of tenured faculty (75%) in the state's public higher education system. In addition, the average age of its faculty was among the highest in the state while the percentage of faculty with doctorates was the lowest, except for the community colleges. No provisions existed to reward faculty who displayed exceptional merit, and research and service were not considered important criteria in awarding promotion and tenure. Tenure did not involve a rigorous review and,

in fact, was granted almost automatically. The college also had the highest ratio of FTE faculty per student of any public institution in the state. Little or no ethnic diversity was evident among either faculty or staff.

Administratively, over twenty individuals reported directly to the president. Communication links between top administrators and the deans, department chairs, and division heads were very weak. Deans and department chairs were not asked to play an active role in managing the institution and met only infrequently with the provost. No women served on the president's cabinet.

Sponsored research and grant activity were virtually non-existent. Although a foundation existed, the college had only a meager endowment of approximately \$1.4 million despite its extensive history, and no special levels of donor recognition had been established to acknowledge major contributors. Furthermore, the state legislature had recently adopted a comprehensive bill requiring all public colleges and universities to exhibit greater efficiencies over the next five years in order to qualify for any increase in state funding. At the same time, the institutions were asked to provide more responsive programming for their students and increase the level of compensation for faculty and staff. In short, the college was required to do more with less. Business as usual was no longer an option.

The Campus Process: Strategies and Solutions

According to ACE's 1998 report, *On Change: En Route to Transformation*, "intentional change requires strategies and behaviors that are quite different from those associated with unplanned change. . .It involves charting a deliberate course" (p. 1).

Given its situation in 1996, the college needed to embark on a clear course of immediate, transformational change to remain viable as the new millennium approached.

Fortunately, the college enjoyed some strong positive forces that enabled it to tackle these challenges. First and foremost was the new president whose compelling vision inspired the campus and community; his passion to transform the institution aroused strong support from a critical core of faculty and staff who deeply believed in the college and were seeking far-reaching change. Several intensely loyal foundation and alumni board members also demonstrated a commitment to transforming the institution. The state's mandate to increase salaries through strategic planning only reinforced such vital support.

Within two months of his arrival, the new president initiated a broad-based strategic planning process involving all constituencies. Thirty-five individuals, including faculty, staff, students, administrators, and key community leaders, participated in the strategic planning retreat and ultimately produced a plan that would set the college on a visionary and productive course. The resulting document outlined an ambitious agenda for advancing the college on several critical fronts: teaching and learning, technology, campus life, community outreach, reorganizing the college, and creating a student-centered campus. The twelve goals directly addressed the institution's formidable challenges.

Highly dedicated working groups intensely and systematically tackled each of these goals over the next several months. The initial strategic plan was completed and circulated to the campus for comment in early 1997. As the president acknowledged in his March 10, 1997, letter to the campus community, "To integrate the plan into the

campus mainstream [now] requires every person to embrace the relevance and benefits of innovations recommended in the *Vision to the Year 2000 Report*. . . Our plan and its implementation must be a product of participation broad enough to cause ownership and result in specific decisions and actions to move the organization toward its future." Through broad involvement of campus constituencies and constant communication, he had initiated the process that would engender this ownership. Not only did the president communicate the strategic vision to the campus, but he also conveyed this emerging spirit of enthusiasm and excitement to the institution's statewide governing board during a meeting on the campus. Addressing board members, he portrayed the college as "a sleeping giant on the hill" who is about to awaken and make its presence felt. Alumni, the foundation board, business leaders, local public school superintendents, and state legislators all heard the same exhilarating message. During such public speeches, the president illustrated the rapidly accelerating pace of change through an ever-increasing array of slides depicting scenes across campus.

The Beginning of Transformation

Invigorated, faculty, staff, students, and administrators targeted action steps toward meeting the plan's specified goals and objectives. At the close of the academic year, an annual update of accomplishments was compiled and shared with the campus community. During Fall 1997, the strategic plan was reviewed and updated, removing initiatives that were completed and adding new institutional priorities recommended by the faculty, staff, student, and administrator representatives participating in the planning retreat. The number of strategic goals was reduced to the seven that are currently in place:

Goal One: Create a student-friendly environment by enhancing the student's well-being.

Goal Two: Establish a more challenging academic environment.

Goal Three: Market "HSC" as a high quality, affordable institution of higher education.

Goal Four: Generate, maximize and wisely utilize sufficient financial resources to fulfill the mission and vision of the College.

Goal Five: Develop and maintain a campus climate that promotes optimal employee performance, teamwork, continuous improvement and excellence.

Goal Six: Have in place the technology and communication infrastructure to support the mission and core values of "HSC".

Goal Seven: Extend "HSC" into the community to meet continuously changing needs of our customers.

In October 1998, the president proudly stated to the campus, "Planning and action. . .are now a matter of *daily operations*. The collegial effort involved in creating the Annual Operational Plan represents a commitment to vision and planning, hours of hard work by many individuals, and dedication to action. . .Share it with your colleagues and be sure we hold one another accountable for its successful implementation." He also charged the college to "move forward with deliberate action steps to turn these objectives into achievements."

Since that time, the strategic plan has become an effective tool for keeping the campus apprised of priority activities and for building the momentum required to continue the institution's forward movement. In virtually every presentation to internal

and external constituents, the president cites the strategic plan. During the Founder's Day 2000 celebration, he observed that its vision "has helped us understand the challenges that are ahead and made us cognizant of the need to respond to opportunities." The president also carries this message to prospective students and their parents during Open House when he describes some of the unique facilities and services that are now available. This constant reference to the strategic plan, coupled with tangible results reflecting initiatives outlined in the plan, has made this document a highly effective mechanism for communicating progress at the institution. Deans and department chairs have been drawn increasingly into the college's decision-making process and are responsible for annually reporting progress on relevant initiatives in the strategic plan. During fall 1999, the president reviewed the recently updated strategic plan with deans and department chairs and then charged each department chair to discuss the plan with the faculty members in his or her area. The specific objectives identified in the plan also convey a very powerful message to political leaders and potential donors: "This institution is serious about planning and accountability, and it deserves your strong support."

Based on the solid foundation articulated in the plan, the college has established an integrated planning process. The institutional budget plan is now directly linked to the strategic plan; through extensive budget hearings each spring, academic and administrative unit heads are called upon to justify their budget requests in relation to initiatives identified in the strategic plan. Over the past two years, Hilltop also has developed a ten-year campus master plan, a facilities plan, and a foundation plan that integrate with the strategic initiatives. Lending further coordination among these plans is

the use of the same consultants to facilitate both the college's annual strategic planning retreat and the foundation board planning process. This increased level of involvement in planning and budgeting activities has heightened communication across campus and led to greater awareness of budget decisions. As one department chair recently observed, "The strategic plan is a key document in driving the campus, including the budget and projects."

One of the major goals in the initial strategic plan concerned the need for administrative restructuring. Following deliberations with the deans and department chairs, this step was implemented in 1998. As a result, only eight positions (rather than twenty) report directly to the president, and new hires brought three women to the cabinet. Seventeen academic departments were consolidated into ten.

When the North Central Association visited the college in April 1998, the evaluators reported that "[Hilltop] State College has a mission statement that is well understood by students, faculty, professional staff, and support staff" (p. 50). Their final report conveys a powerful sense of the exhilaration the team experienced at witnessing the tremendous changes that had occurred at the college in a short period of time. Highlights of their findings include (pp. 46-47):

- The new president has brought a new sense of excitement, direction, professionalism, and impetus for change to an institution that was adrift for too many years.
- [Hilltop] State College now has a new Strategic Plan that establishes goals and expectations of accountability at all levels.

- The institution has faculty, staff, students, a Board of Directors, and alumni who are supportive of the spirit of change now present on campus.
- Systematic efforts to reach out to the regional community through a number of initiatives such as the Science, Math and Research Technology (SMART) Center demonstrate the willingness of the college to be of service to its community.

Evidence of Change

Continuing evidence of the systematic and highly visible effects of integrated strategic planning emerged at the college's September 2000 planning retreat. All participants were asked in advance to identify the college's top three to five accomplishments since the initiation of strategic planning in 1996. It is significant that the final list compiled from over fifty responses recognizes the strategic planning process itself as well as a clear focus on the plan, the budget review process, and the master plan. Among these "Top Ten" achievements are:

1. Campus beautification - Master Plan
2. Construction of the new Academic, Sports and Recreation Complex
3. Technology Expansion
4. Focus on Students
5. Increased Enrollment
6. Strategic Planning/Budget Review Process/Enhanced Image
7. Computer Labs/Legislative Support/Increased Accountability
8. Clear Focus on Plan/External Funding/New Department Structure
9. Honors Dorm

10. Leadership and Vision/New Dining Services/Progress in Assessment/

Marketing Plan

Five years after the implementation of the strategic plan, the college is experiencing continued growth with its highest level of enrollment in twenty years and the largest entering class since 1989. Students have acknowledged the new spirit; they are excited about the transformation they have witnessed, and some seniors who graduated in May 2000 expressed a desire to remain on campus for another year so they could enjoy further changes such as improved dining services and the \$10.5 million Academic, Sports and Recreation Complex that was formally opened during a ribbon-cutting ceremony on Homecoming Weekend 2000. Student programs and activities have greatly expanded. An honors dormitory is filled with students, and the college is currently contemplating the creation of a second such residence hall for outstanding scholars. Faculty and department chairs have acknowledged responsibility for and assumed an active role in recruiting prospective students. They also have demonstrated greater levels of accountability through required annual updates of accomplishments, and the president and several senior staff have initiated close dialogue with each of the ten departments to share major departmental, campus, and state higher education issues.

Over \$2 million has been dedicated to increasing faculty and staff salaries to more competitive levels over the past five years, and annual merit increases reward exceptional faculty initiative. New faculty hires are expected to hold a doctorate, and several faculty are currently completing doctoral programs. A more rigorous process for awarding promotion and tenure is now standard; approval is no longer guaranteed. A creative

severance plan offered several years ago to twenty-one employees enabled the college to review program staffing and to allocate its scarce resources more effectively.

The president has established awards recognizing faculty excellence in teaching, research, and service. At a ceremony in March 2000, one faculty member expressed gratitude that research is no longer considered an "aberrant" activity at the college but, rather, an expectation. In addition, special presidential honors are accorded on rare occasions to employees or friends of Hilltop who have demonstrated extraordinary performance.

Accompanying such activity is an increased emphasis on external research grant funding and a focus on development that has raised giving among alumni and friends of the college to new heights. Special named levels now acknowledge contributors to the President's Circle (for donors of \$1,000 or more) and the Shotwell Society (for planned gifts). Gifts to the college have increased by twenty-six percent or more in each of the past three years. Donors also have increased their support for student scholarships, with a 196% rise in total scholarship giving since 1996. A recent survey of contributors attributed such solid support to "strong leadership" and the "sense of direction" provided by the strategic plan.

A \$1.87 million grant from the National Science Foundation funds a center that provides hand-on science education to five county school districts of the region, serving 625 K-6 teachers and over 15,000 students a year. This is one of only five such projects in the United States. In 1999 the college received additional grants totaling approximately \$1 million, including a \$129,000 contribution which has enhanced music education through state-of-the art recording technology. Faculty are continuing to

explore further grant opportunities, some in collaboration with the county schools as well as the local zoo and environmental center. The teacher education program is energized by a Professional Development School at one of the local elementary schools, one of only nineteen in the nation funded by Wallace *Reader's Digest*. The state has recognized this new sense of excitement by selecting the college as the site for the Governor's School for the Arts beginning in July 2001. Hilltop also received \$185,000 from the Governor toward renovation of the outdated dental hygiene clinic, allowing construction of a state-of-the-art facility. These funds have been augmented by several substantial federal awards to complete the renovation.

The college is further energized by a recent \$100,000 federal grant designated for use in planning an innovative new center for instructional technology; this center will combine the institution's strong programs in science and mathematics education with those in communications, fine arts, and other disciplines to enhance instruction for undergraduates at Hilltop as well as for students in the public schools. A proposed new business information technology degree program, combining a solid background in information technology with business preparation, will benefit from this needed addition to the campus. The center also will offer professional development opportunities for public school teachers and will play a key role in the collaborative master's degree programs that the college is pursuing with area universities as a result of a new state statute. The official agreement inaugurating a collaborative master's degree program in Educational Leadership was signed by the presidents of Hilltop State College and the state's land-grant university on May 10, 2001, and the first courses are being offered in summer 2001.

The campus is now wired to take advantage of technology, with fifteen computer labs available for student use. Multiple grants from Verizon have extended Asynchronous Transfer Mode (ATM) connections to the campus as well as to the college's Warwood Center in the nearby city and funded the equipment to deliver distance learning. Plans are underway to transmit college-level instruction to the region's high schools through video connections; one such course will be available during the 2001-02 academic year. Approximately thirty percent of the freshmen who entered in fall 2000 were enrolled in pilot sections of a new freshman experience course. Based on the initial success of this program, it is being continued and enhanced for 2001-02. A revised general education curriculum also was implemented in fall 2000, and several new specializations (including biotechnology and sports management) have been added to the curriculum. All academic departments have completed an assessment plan and are at various stages of refining and implementing techniques of measuring their goals. The first Faculty Symposium on Assessment held in October 2000 highlighted these goals, and speakers representing each of the four schools described some of the innovative approaches used in their departments. A second annual Symposium is scheduled for fall 2001 with a focus on assessment methods and the use of outcomes to improve the curriculum. General education achievement is evaluated through students' participation in ACT's Collegiate Assessment of Academic Proficiency (CAAP); approximately two-thirds of those who participated in the CAAP during 2000 scored at or above the national mean in critical thinking, mathematics, or both.

In the midst of this widespread change, over 200 faculty and staff members sponsored a full-page advertisement in the local newspaper congratulating the college on its numerous accomplishments since 1996. Among the forty-six items cited were:

- Renewed Commitment to Excellence through Long-Range Strategic Planning and Comprehensive Assessment;
- New Faculty Evaluation and Merit Pay Plan;
- Expanded and Revitalized Faculty Development Program;
- Newly Opened Lines of Communication to and from Faculty Senate and Staff Council;
- Restructured academic units; and
- Commitment to a "Students First" Philosophy.

Connecting the Transformation to Theory

Why was this strategic planning process so powerful and how did it produce such remarkable results? Lee Bolman and Terrence Deal shed some light on these questions in *Reframing Organizations: Artistry, Choice, and Leadership* (1991). They contend that "a fully effective change process" (p. 402) requires attention to multiple lenses or frames and outline four distinct frames - *structural*, *human resources*, *political* and *symbolic* - which, taken together, provide an integrated view of organizational change. Seen through the *structural* lens, "Change alters the clarity and stability of roles and relationships" within an organization (p. 377). The *human resources* frame suggests that "Developing new skills, creating opportunities for involvement, and providing psychological support are essential" elements of successful change (p. 377). Power, advocacy, and coalitions are inherent aspects of the *political* frame which portrays

successful management of change as "the creation of arenas where issues can be negotiated" (p. 377). The *symbolic* frame affirms the importance of meaning and purpose, of rituals and ceremonies within the organization.

Based on Bolman and Deal's research, the extraordinary transformation realized through Hilltop's strategic planning process can be attributed to the recognition and effective utilization of each of these four frames. "[O]rganizations are created almost exclusively to accomplish goals" (Bolman and Deal, p. 73). *Structurally*, the College's strategic planning process provides for the establishment of goals and action steps and, with this, the targeting of resources toward those specified goals. Viewed through the *human resources* frame, the process promotes participation from key internal and external constituencies, including faculty, staff, students, administrators, board members, foundation board members, and alumni. Each of these groups has the opportunity to influence the outcome of the annual strategic planning retreat and, consequently, identifies with the resulting course of action. "Organizational change. . . is always political" (Bolman and Deal, p. 225), and "the political frame. . . insists that organizational goals are set through negotiations among the members of coalitions" (p. 190). Thus, applying the *political* frame, the strategic planning process serves as an arena to air differing viewpoints, realign power, and shape outcomes. The annual planning retreat is in itself an important ritual or ceremony that serves the functions of socializing, stabilizing, reducing anxieties and ambiguities, and conveying messages to internal and external constituencies (Bolman and Deal, p. 262). Viewed through this *symbolic* frame, the very act of gathering to celebrate the achievement of strategic goals holds significant meaning for the participants.

Conclusions

As the president predicted to the college's Board of Directors in late 1996, it appears that the "sleeping giant" has, indeed, awakened, and is beginning to make its presence known in the local community and region. Hilltop State College has quietly and effectively made a difference in many lives over the past 164 years. The institution's accomplishments and potential are just now beginning to be recognized more widely. As a result of the on-going strategic planning process, the college has begun to transform and re-invent itself to better serve a rapidly changing world. By focusing on the seven major goals that comprise the strategic plan, a campus culture emerged in which the customers - students -- receive highest priority. The institution restructured finances and launched major efforts to improve an environment for teaching and research using the powerful tools of information technology. As the campus embarks on the new millennium, it has become a dynamic community; frequent written and verbal communications acknowledge the strategic plan; and faculty, staff, and students are energized and actively working to accomplish the future directions they have helped envision for the institution.

The strategic plan laid the foundation for the dramatic transformation that has occurred - and that is still occurring -- by establishing a clearly articulated vision and much-needed direction for the college. The campus embraced the vision, gradually, at first, but with increasing intensity as tangible outcomes were realized. The wrought iron and brick at the entrance gate have been repaired, and there is no turning back. Bolman and Deal's (1991) four frames illumine the underpinnings of this successful transformation in the structural, human resources, political, and symbolic aspects of strategic planning. As the American Council on Education report observes, change "is an

ongoing, organic process in which one change triggers another, often in unexpected places. . . There is no point in time at which everyone can declare a victory and go back to 'normal life.'" This statement is clearly evidenced in the new campus culture that has emerged at Hilltop State College. The college has systematically charted and is following a defined course leading toward its aspirations.

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